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Research News for the U.S. Travel Industry

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TRAVEL PRINTOUT

US Travel Data Center

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U.S. Travel Remains Strong in First Half of 1989

Travel in the U.S. is expected to reach record-breaking levels in 1989, with person-trips projected to exceed 1.3 billion by the end of the year, according to recent results of the US Travel Data Center's National Travel Survey. (A person-trips measures one person on a trip to a place 100 miles or more away from home). Data Center Executive Director Dr. Suzanne Cook will reveal other projections for domestic travel in 1989 at the Data Center's fifteenth annual Travel Outlook Forum, cosponsored by the Travel and Tourism Research Association. The forum precedes the opening of the Travel Industry Association's Travel Industry National Conference on October 3, 1989, in Hollywood, Florida.

The theme of this year's forum is "1990 - Gateway to a Decade". Experts from the major segments of the travel industry will offer their forecasts for what can be expected to take place in their markets for the coming year. Several speakers, including J. Kay Aldous, vice president of public and government services for the American Automobile Association, and Michael Marien, editor of Future Survey, will look ahead to the 1990s to see how environmental and infrastructure concerns could affect travel in the next decade.

A review of the US Travel Data Center's travel projections for 1989 include:

♦ Total nights spent away from home while traveling may reach 5.3 billion by year end, a 2.4 percent increase over 1988.

♦ Shorter trips continue to be more popular among American travelers. Through June, day trips now represent 13 percent of all travel in 1989, trips of 1 to 3 nights account for 52 percent, while trips of 4 or more nights cover 35 percent.

♦ So far this year, business travel is up 5 percent over 1988 and, if it continues to grow at this rate through 1989, will account for approximately 223 million person-trips by year end.

♦ Vacation travel, representing 67 percent of all travel and growing steadily since 1984, increased 9 percent during the first half of 1989. The Data Center projects that vacation person-trips could reach an all-time high of about 900 million this year.

♦ Weekend and long weekend vacations remain particularly popular for Americans in 1989. Weekend vacationing is expected to increase about 2 percent over 1988's significant 8 percent rate of growth.

♦ Automobile continues to be the preferred mode of transportation, now representing 77 percent of all trips.

♦ Auto/truck/RV traffic growth is expected to outpace that of air travel for the second consecutive year. During the first six months of 1989, auto travel increased 3 percent, while domestic air service declined 3 percent.

♦ Economically, 1989 travel industry sales have so far exceeded Gross National Product (GNP) growth by a full percentage point.

♦ Travel prices, as measured by the Data Center's Travel Price Index (TPI), are rising somewhat faster than overall consumer costs measured by the Consumer Price Index (CPI). The TPI has increased 6.7 percent so far in 1989, while the CPI has risen 5.4 percent.

♦ The price of gasoline has jumped 6.5 percent in 1989, contributing to the 6 percent increase in both intercity transportation costs and air fares.

Additional forecasts presented at the 1990 Travel Outlook Forum will be featured in next month's issue of **Travel Printout**. The complete proceedings of the forum will be available in December. To order your issue in advance, send $100 per copy to the Data Center's Publication Department, Two Lafayette Centre, 1133 21st St., NW, Washington, DC, 20036. ♦♦

July Travel Price Increase Led by Rising Lodging Costs

The overall cost of traveling in the U.S. rose 2.2 percent in July, led by a 7.2 percent jump in lodging prices, according to the Data Center's monthly Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S., reached 129.9 (1982 - 84 = 100) in July. For comparison, the overall cost of goods and services as measured by the Consumer Price Index (CPI) rose only 0.2 percent for the month to 124.4.

The cost of transportation declined 0.9 percent in July, prompted by a 1.7 percent drop in the price of motor fuel. Intracity public transportation costs rose 0.3 percent and other intercity transportation prices increased 0.2 percent. Air fares showed no change. The cost of food and beverages purchased while traveling climbed 0.5 percent, while entertainment prices rose 1.2 percent in July.

Compared to year-earlier levels, the overall cost of travel increased 7.1 percent in July, led by a 10.9 percent jump in transportation costs. This increase in transportation prices resulted from a 14.7 percent rise in motor fuel prices and a 6 percent increase in airline fares. The CPI rose 5 percent for the same period. ♦♦

Travel Price Index and Components

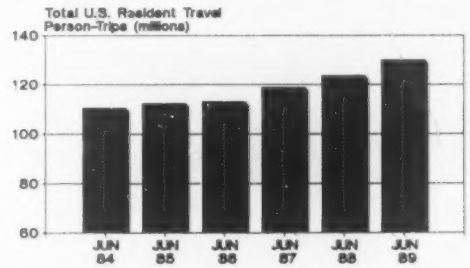
July 1989 TPI Component	Monthly % Change June to July 1989	Annual % Change July 1988 to July 1989
Transportation	-0.9	10.9
Airline Fares	0.0	6.0
Other Intercity Trans.	0.2	4.1
Intracity Public Trans.	0.3	2.4
Motor Fuel	-1.7	14.7
Lodging	7.2	8.3
Food and Beverages Away From Home	0.5	4.7
Entertainment	1.2	8.4
TRAVEL PRICE INDEX	2.2	7.1
CONSUMER PRICE INDEX	0.2	5.0

Source: US Travel Data Center and the U.S. Bureau of Labor Statistics

More Pleasure Trips Cause June Travel Increase

Travel during June 1989 increased 5 percent over year-earlier levels, generated by a 8 percent increase in pleasure travel as well as a significant jump in business travel, reports the Data Center's National Travel Survey (NTS).

The monthly telephone survey showed that Americans took 130 million person-trips in June.



(A person-trip measures each time each person travels 100 miles or more away from home.)

The June NTS also found that:

- Vacation travel climbed 6 percent;
- Auto travel rose 5 percent, air travel, however, dropped 2 percent;
- Average trip duration fell from 4.8 nights per trip last year to 4.1 nights this June;
- Average round-trip distance decreased to 890 miles, down from 910 miles a year ago. ♦♦

TEIM Update

The Travel Economic Impact Model (TEIM) revision project team recently conducted a survey of all 50 states to collect state tax data that will be incorporated into the overall TEIM update process.

Also, with the help of the International Association of Convention & Visitor Bureaus' (IACVB) research task force, the TEIM project team is currently conducting a tax survey of IACVB's domestic membership. These city and county data will be used in conjunction with the city and county tax information gathered from other sources, such as the U.S. Department of Commerce.

With more detailed state and local tax data, the TEIM will be able to produce more precise estimates and forecasts of U.S. travel-generated tax revenue and its impact on the economy.

For more information about travel economic impact studies or the TEIM, contact Dr. William Fleming, manager of economic research for the US Travel Data Center, at 202/293-1040. ♦♦

TRAVEL PRINTOUT is published monthly by the US Travel Data Center, the national non-profit center for travel and tourism research, and an affiliate of the Travel Industry Association of America, Two Lafayette Center, 1133 21st Street, NW, Washington, D.C., 20036. Telephone:202/293-1040. Dr. Suzanne D. Cook, Director, Julie Bowers, Editor.

Travel Printout reports on Data Center projects, national travel research conducted by other respected organizations, trends in the U.S. travel industry. Subscriptions are $75 per year, U.S.; Canada and Mexico and other foreign countries, $80 per year, payable in U.S. funds only. ISSN: 0744-6233.

News from the Data Center

On September 1, 1989, Edward R. Book was appointed the new president of the Travel Industry Association of America (TIA), succeeding William D. Toohey, who retired after nearly 19 years as TIA president. Book, who served TIA as executive vice president for the past two years, also assumes the position of vice chairman of the US Travel Data Center's board of trustees.

Prior to joining TIA in 1987, Book was chairman and chief executive officer of the Hershey Entertainment and Resort Corporation (HERCO). During his 18 years with HERCO, Book served the organization in a variety of capacities.

"The Data Center is very fortunate to have someone as qualified as Ned Book to help guide the organization," said Data Center Executive Director Suzanne Cook. "His extensive background in the travel industry, dedication to its continued growth, appreciation of the need for research and insight into the informational and marketing needs of the industry are qualities which will help us to shape programs and effectively serve our members and clients during the 1990s."

Recent additions to the Data Center's own staff include Elizabeth M. Stewart as the new manager of survey research. Just prior to joining the Data Center, Ms. Stewart served as manager of the Industry Analysis Division of the National Automobile Dealers Association where she supervised industry analysts and managed survey research projects. Ms. Stewart holds a master's degree in economics from George Mason University where she is currently working on her doctoral degree.

Also, Patrick Thompson has joined the staff as research assistant, succeeding Kelly Repass who has been promoted to survey research analyst. Robert Hayes joined the Data Center in June as computer analyst. ♦♦

Discoveries...

An ongoing guide to current travel research

♦ The Caribbean Tourism Organization has published the 1988 Caribbean Tourism Statistical Report, listing tourist arrivals and country of origin, cruise arrivals, hotel capacity and occupancy levels as well as visitor expenditures for 32 destinations. This report is available for $50 (plus $12 if by air mail) by writing to: Publications Officer, Caribbean Tourism Organization, Marine Gardens, Christ Church, Barbados.

♦ Despite a plunge in per-room profits, major hotel chains in the economy segment of the U.S. lodging industry continued to grow in 1988, according to Laventhol & Horwath's eighth annual report on the economy-hotel segment, U.S. Economy / Limited Service Lodging Industry 1989. This study covers profits, occupancy rates, development, expansion, and total room nights. Copies are $80. Write: Laventhol & Horwath, Leisure Time Industries Department, 1845 Walnut Street, Philadelphia, PA 19103; 215/299-1552.

♦ The Travel Market Leader, a journal of travel marketing,is a bimonthly newsletter covering trends and issues as they affect travel marketing decisions. Each issue delivers commentary by industry experts, sources for further travel marketing information, and provides a listing of major industry events and meetings. Subscriptions are $30 per year. Write: Daniel A. Nesbett, editor, P.O. Box 2397, Hickory Ln, Darien, CN, 06820. ♦♦

Visitor Volume at National Parks

Region	JUN 1989 visits	% Change from JUN 1988*	Year to Date % Change 1988/89*
NEW ENGLAND	1,905,409	7.8	9.5%
MIDDLE ATLANTIC	3,617,472	-5.8	0.2
SOUTH ATLANTIC	10,090,429	-8.6	-6.4
EAST SOUTH CENT.	2,361,869	-9.3	-4.1
EAST NORTH CENT.	840,462	-8.2	-6.7
WEST NORTH CENT.	1,497,024	-10.4	-2.8
WEST SOUTH CENT.	1,274,691	-6.8	1.9
MOUNTAIN	5,797,439	-0.4	2.6
PACIFIC	5,673,633	-3.1	-4.6
TOTAL	33,058,428	-5.2	-2.8

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

States compromising the census regions:
New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Middle Atlantic:** New Jersey, New York Pennsylvania. South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. **East South Central:** Alabama, Kentucky, Mississippi, Tennessee. **East North Central:** Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central:** Arkansas, Louisiana, Oklahoma, Texas. **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific:** Alaska, California, Hawaii, Oregon, Washington.

Current Travel Indicators

CURRENT TRAVEL INDICATORS...1989

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Jun	$ 5,255	million	3.7	8.5	9.2
Eating and Drinking Places(2)	Jun	$13,676	million	0.2	5.6	7.4
Gasoline Service Stations(2)	Jun	$ 9,369	million	-0.9	10.7	7.0
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Jun	63.6	percent	-0.5	1.6	1.6
Real Demand for Commerical Lodging(4)	Jun	66.2	million	6.4	5.1	4.9
Airline Passenger Traffic (5)						
Domestic Revenue Passenger Miles	Jun	29.0	billion	11.4	3.0	-1.8
Int'l Revenue Passenger Miles	Jun	10.0	billion	19.8	10.5	10.8
Highway Traffic Volume (6)						
Rural Arterial Passenger Miles	Jun	46.3	billion	1.6	3.6	4.6
Rail Passenger Traffic (7)						
Amtrak Passenger Miles	Jun	523.1	million	3.2	-0.5	6.9
Travel Price Index (1982 - 84 = 100) (8)	Jun	127.1		0.6	5.7	5.1
U.S. Resident Travel						
Total Person-trips(9)	Jun	130.0	million	17.2	5.1	6.2
Vacation Person-trips(9)	Jun	94.6	million	32.9	5.7	9.3
Total Person-nights(10)	Jun	536.6	million	50.3	-9.3	-3.9
Vacation Person-nights(10)	Jun	411.5	million	62.0	-11.7	-0.6
Public Use of National Parks (11)						
Visits	Jun	33,058,428		24.3	5.2	-2.8
Overnight Stays	Jun	2,577,964		72.2	-1.0	0.0
Foreign Arrivals to the U.S.						
From Overseas(12)	May	1,113,348		7.7	7.7	13.9
From Canada(13)	Jun	1,068,899		-8.8	8.6	12.8
From Mexico(12)	May	89,457		12.6	32.5	30.9
U.S. Citizen Departures						
To Overseas(12)	May	1,284,700		16.3	10.2	5.8
To Canada(13)	Jun	1,540,706		50.0	1.2	-2.4
Domestic Demand for Gasoline						
Barrels/Day(14)	Jun	7,803	thousand	5.2	-0.2	0.0

(1) Source: Smith Travel Research, seasonally unadjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary; revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: US Travel Data Center and Bureau of Labor Statistics. (9) Source: US Travel Data Center. (10) US Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 9% arrivals only. (13) Statistics Canada. (14) Preliminary; Source: U.S. Department of Energy.

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